



California Fair Political Practices Commission

June 17, 1986

Harry M. Snyder, Director
West Coast Regional Office
Consumers Union of U.S., Inc.
1535 Mission Street
San Francisco, CA 94103

Re: FPPC No. A-86-171

Dear Mr. Snyder:

This is in reply to your letter dated May 15, 1986, concerning payments made by Consumers Union in connection with opposing Proposition 51 on the June ballot.

QUESTION

You asked if Consumers Union incurred a filing obligation based on the following information:

Since February 1, 1986 you have spent approximately 30% of your time on Proposition 51. Your salary is \$70,000 per year. In addition, Consumers Union has spent approximately \$1,500 in air fares on this issue. Jim Shultz has spent some limited time on this issue as has a volunteer law student.

In a subsequent telephone conversation you provided me with the following additional information:

The activities in which you and the other employees of Consumers Union were involved consisted of travel to various locations throughout California to speak to newspaper editorial boards, to participate in radio talk shows, and to address groups such as the Organization of Associated Water Agencies. The purpose of these speaking engagements was to participate in educational forums at which both sides of the issues concerning Proposition 51 were presented. You also indicated that, in every case, the activity of the employees of Consumers Union was "independent," that is the activity was not at the behest of a committee primarily formed to oppose Proposition 51.

ANSWER

Payments made by Consumers Union for certain activities for which its employees were compensated are reportable independent expenditures. "Independent expenditure" is defined in Gov. Code Section 82031 as:

... an expenditure made by any person in connection with a communication which expressly advocates the election or defeat of a clearly identified candidate or the qualification, passage or defeat of a clearly identified measure, or taken as a whole and in context, unambiguously urges a particular result in an election but which is not made to or at the behest of the affected candidate or committee.

Commission Regulation 2 Cal. Adm. Code Section 18225(b) (2) defines the term "expressly advocates" as it is used in Gov. Code Section 82031. A copy of Regulation 2 Cal. Adm. Code Section 18225 is enclosed.

With regard to the types of communications you and the other employees of Consumers Union engaged in, time spent giving speeches or participating in discussions which were directed at the voting public, and which contained words of express advocacy as defined in Regulation 2 Cal. Adm. Code Section 18225(b) (2) must be counted toward determining the amount of "independent expenditures" Consumers Union made in connection with opposing Proposition 51.

Please note, however, that Commission Regulation 2 Cal. Adm. Code Section 18423 provides that the payment of salary, reimbursement for personal expenses or other compensation by an employer to an employee is a reportable expenditure by the employer only in those cases where an employee spends 10% or more of his or her compensated time in one month engaged in political (campaign) activity.

Volunteer personal services are not reportable contributions or independent expenditures. Therefore, the time spent by Consumers Union's volunteer law student is not reportable.

If you determine that you spent 10% or more of your compensated time (or any other employee spent 10% or more of his or her compensated time) during a calendar month engaging in communications which expressly advocated the defeat of Proposition 51, Consumers Union qualified as an "independent expenditure committee" under Gov. Code Section 82013(b) when it spent or incurred \$500 or more for such purpose during the calendar year. Independent expenditure committees file campaign statements (Form 461) as described in Section F (page 14) of the FPPC 1986 "Information Manual on Campaign Disclosure Provisions."

Harry M. Snyder
June 17, 1986
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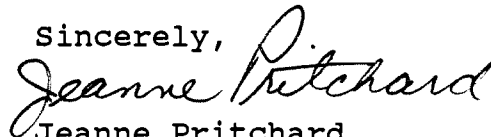
In addition, if \$500 or more was spent during either of the pre-election reporting periods for the June election, as set out in the "Standard Filing Schedule" on page 17 of the Information Manual, Consumers Union should have filed a "Supplemental Independent Expenditure Report" (Form 465) for the appropriate pre-election period.

Your letter requesting advice with regard to Consumers Union's campaign disclosure obligations was received by us on May 19, 1986. Since we did not provide advice to you before the second pre-election filing deadline of May 22, 1986, I have prepared the attached letter explaining that you attempted to obtain advice prior to the filing deadline. Please attach the letter to your statement covering the period ending May 17, 1986. I believe the filing officers who receive your statement will take into consideration your attempt to receive advice prior to the filing deadline, when determining whether to assess a late fine.

Attached for your information and use are the FPPC's 1986 "Information Manual on Campaign Disclosure Provisions," Campaign Disclosure Forms 461 and 465, and FPPC Regulations 2 Cal Adm. Code Sections 18225 and 18423.

Please call me if you have any questions about the requirements for filing campaign statements.

Sincerely,



Jeanne Pritchard
Division Chief, Technical
Assistance & Analysis Division

JP:kt

Enclosures



Publisher of Consumer Reports

F P C
MAY 19 3 50 PM '86

May 15, 1986

Fair Political Practices Commission
Legal Division
428 J Street, Suite 800
Sacramento, CA 95804-0807

Re: Reporting: for Opposition to Proposition 51

To whom this may concern:

I need to know how and what to report relating to Consumers Union's efforts in opposition to Proposition 51, on the June 3 ballot. As registered lobbyist's we file regular reports on lobbying efforts.

Since February 1, 1986 I have spent approximately 30% of my time on Proposition 51. My salary is \$70,000 per year. In addition, we have spent approximately \$1,500 in air fares on this issue. Jim Shultz has spent some limited time on this issue as has a volunteer law student.

Please inform me what, if anything further, I must do to comply with the law. I will provide further information by return mail.

Sincerely,

Harry M. Snyder
Director
West Coast Regional Office
Consumers Union of U.S., Inc.



California Fair Political Practices Commission

May 23, 1986

Harry M. Snyder, Director
Consumers Union
1535 Mission Street
San Francisco, CA 94103

Re: 86-171

Dear Mr. Snyder:

Your letter requesting advice under the Political Reform Act has been received on May 19, 1986 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact the Technical Assistance and Analysis Division at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or unless more information is needed to answer your request, you should expect a response within 21 working days.

Very truly yours,

A handwritten signature in cursive script that reads "Jeanne Pritchard".

Jeanne Pritchard
Chief

Technical Assistance and Analysis
Division

JP:plh